GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA

UNSTARRED QUESTION NO:1984
ANSWERED ON:09.03.2016
Credit for Affordable Housing
Jaiswal Dr. Sanjay

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) whether the Government is aware of the difficulties faced by the people belonging to Economical Weaker Section (EWS)/ lower income groups and unorganised sectors in accessing credit for housing;

(b) if so, the measures taken by the Government in this regard;

(c) whether the Government plans to encourage micro mortgage financing schemes to ensure its goal of 'Housing for all';

(d) whether the Government has created a Credit Risk Guarantee Fund (CRGF) for promoting low income housing in the country; and

(e) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION
(SHRI BABUL SUPRIYO)

(a)&(b): Government has launched the Pradhan Mantri Awas Yojana - Housing for All (Urban) mission on 25.06.2015. Under Credit Linked Subsidy Scheme (CLSS), one of the components of the mission, the beneficiaries of Economic Weaker Section (EWS) having household annual income upto Rs. 3.00 lakh
and Lower Income Group (LIG) having household annual income between Rs. 3.00 lakh and upto Rs. 6.00 lakh subject to their being otherwise eligible under the scheme, can avail of interest subsidy at the rate of 6.5% on the housing loans upto Rs. 6.00 lakh from Banks, Housing Finance Companies (HFCs) and other such institutions for a tenure of 15 years or actual tenure of loan whichever is earlier, for acquisition, construction and extension of house. The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9%. Public Sector Banks have been urged to simplify the application forms and documentation required from eligible beneficiaries to facilitate the housing loans under the CLSS.

(c): National Housing Bank (NHB) under the Department of Financial Services has reported that HFCs registered with NHB are involved in providing housing microfinance to the needy segments based on their own appraisal system.

(d)&(e): A Credit Risk Guarantee Fund (CRGF) with a proposed corpus of Rs. 1,000 crore under Rajiv Awas Yojana has been created in the 12th Five Year Plan to guarantee the lending agencies for loans to new EWS/ LIG borrowers in urban areas seeking individual housing loans not exceeding a sum of Rs. 5.00 lakh for a housing unit of size upto 430 sq. ft (40 sq. m) carpet area without any third party guarantee or collateral security. The ceiling of housing loan limit eligible under the CRGF Scheme is Rs. 8.00 lakh w.e.f. 1st October, 2014. The guarantee cover would be available upto Rs. 5 lakh to individual borrower. The fund is operated by NHB.

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